GOVERNMENT OF INDIA
MICRO,SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:3633
ANSWERED ON:21.12.2015
MSME Amendment Bill, 2015
Chandumajra Shri Prem Singh;Kalvakuntla Smt. Kavitha;Prabakaran Shri K.R.P.

Will the Minister of MICRO,SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) the main aims and objectives of the Micro, Small and Medium Enterprises(MSMEs) Amendment Bill that was introduced in the Lok Sabha in April 2015;

(b) whether the new bill seek to increase the allowances for investments in MSME and if so, the details thereof;

(c) whether the Union Government is allowed to classify micro, tiny or village enterprises as small or medium enterprises, based on their turnover and employment and if so, the details thereof; and

(d) whether the Bill include the definition of Village Industries as provided in the Khadi and Village Industries Commission Act, 1956 also and if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF
MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI GIRIRAJ SINGH)

(a): The objectives of the proposed Micro, Small and Medium Enterprises Development (Amendment) Bill, 2015 are to (i) enhance the existing limit for investment in plant and machinery considering changes in price index and cost of inputs consistent with the emerging role of the MSMEs in various Global Value Chains, (ii) include medium enterprises apart from small enterprises in section 7(9) to enable the aforesaid category of enterprises to avail the benefits and become competitive, and (iii) empower the Central Government to revise the existing limit for investment, by notification, considering the inflation and dynamic market situation.

(b): Yes, Madam. As per Micro, Small and Medium Enterprises Development (Amendment) Bill, 2015, the investment limit prescribed for Micro, Small and Medium Enterprises (MSMEs) in the country, is proposed as under:

Manufacturing enterprises:

(i) Micro enterprise: Investment in plant and machinery does not exceed fifty lakh rupees
(ii) Small enterprise: Investment in plant and machinery is more than fifty lakh rupees but does not exceed ten crore rupees.
(iii) Medium enterprise: Investment in plant and machinery is more than ten crore rupees but does not exceed thirty crore rupees.

Service enterprises:

(i) Micro enterprise: Investment in equipments does not exceed twenty lakh rupees.

(ii) Small enterprise: Investment in equipments is more than twenty lakh rupees but does not exceed five crore rupees.

(iii) Medium enterprise: Investment in equipments is more than five crore rupees but does not exceed fifteen crore rupees.

(c): As provided under Section 7(9) of the MSMED Act, 2006, the Government, while classifying any class or classes of enterprises under sub-section 7(1) of this Act, may adopt any criteria e.g. investment, employment or turnover of the enterprises and include in such classification the micro or tiny enterprises or the village enterprises, as part of small enterprises.

(d): No,Madam.